

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 29 - HB 105

March 8, 2021

**SUMMARY OF ORIGINAL BILL:** Prohibits a local government from requiring certain first responders to reside within the jurisdiction of the local government as a condition of employment.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENTS (003761, 004082):** Amendment 003761 deletes and rewrites all language after the enacting clause such that the only substantive changes: (1) prohibit a local government from dismissing, disciplining, fining, or penalizing first responders for not living within the local government's jurisdiction; (2) expand the definition of first responder to include emergency dispatchers; and (3) removes applicability from policies requiring employees to respond to an emergency within a specific time period.

Amendment 004082 removes applicability of the bill as amended by Amendment 003761 from Hamilton County.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

**Other Fiscal Impact – A precise impact to local government expenditures as a result of non-assessment of salary forfeiture schemes and decreased overtime payments cannot reasonably be determined due to multiple unknown variables.**

Assumptions for the bill as amended:

- The proposed legislation will prohibit local governments, with the exception of Hamilton County, from establishing a residency requirement as a condition of employment for paid, full-time law enforcement officers, firefighters, emergency dispatchers, and emergency medical personnel, with the exception of the chief or head of the department and prohibit local governments from dismissing, disciplining, fining, or penalizing current first responders employed by the local government who live outside the jurisdiction.

- Current state minimum requirements for law enforcement officers and firefighters or rules established for emergency medical services licensure do not include a local residency provision; however, some local governments have established employment requirements in addition to the state minimum.
- Prohibiting local governments from establishing residency requirements for certain first responders as a condition of employment will not result in any significant fiscal impact to local government.
- It is reasonably assumed that at least one local government:
  - Has established a salary forfeiture scheme for non-resident employees;
  - Has dismissed or disciplined current employees for being a non-resident;
  - Has vacant positions in applicable positions, resulting in current staff working overtime hours to compensate for such vacancies; and
  - Has experienced an increase in expenditures associated with overtime payments to current employees who are residents.
- The proposed language is estimated to result in an increase in the number of persons who will seek employment within an applicable position as a non-resident. As a result, local governments could experience an increase in expenditures associated with no longer assessing a salary forfeiture; conversely, local governments could experience a decrease in expenditures associated with a decrease in current levels of overtime payments.
- A precise impact to local government cannot reasonably be determined due to multiple unknown variables such as the extent of non-residents who would be assessed a salary forfeiture in the absence of this legislation, the extent of overtime payments made by local governments, and the number of non-residents who will apply for positions as a direct result of passage of this legislation.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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